

Report of:	Head of Finance
Contact Officer:	Bob Kean
Contact Number:	01543 464 334
Portfolio Leader:	Leader of the Council
Key Decision:	No
Report Track:	Cabinet: 28/01/21 Council: 10/02/21

Cabinet
28 January 2021
General Fund Budget and Capital Programme 2020-21 to 2023-24

1 Purpose of Report

- 1.1 To consider the current position of the General Fund Revenue Budget for 2020-21 to 2023-24 and the updated Capital Programme 2020-21 to 2023-24.

2 Recommendation(s)

- 2.1 That the following be recommended to Council as part of the formal budget setting process: -
- (a) the level of net spending for the General Fund Revenue Budget for 2021-22 be set at £14.664 million; with indicative net spending for 2022-23 and 2023-24 of £14.364 million and £14.529 million respectively;
 - (b) the detailed portfolio budgets as set out in **Appendix 2**;
 - (c) the forecast outturn net budget of £15.408 million be approved;
 - (d) the use of Government Grants in 2021-22 of £2.261 million;
 - (e) To note that although indicative figures exist for the use of Governments Grants for 2022-23 and 2023-24, they cannot be accurately determined at this stage with each element of Government funding being subject to review;
 - (f) the working balances be set at £0.812 million; £1.147million and £1.176 million for 2021-22 to 2023-24 respectively;
 - (g) that a Council Tax of £225.64 be recommended to the Council for 2021-22; with indicative increases of 1.95% to the level of Council Tax for 2022-23 and 2023-24;

- (h) the Council's Tax base be set at 29,136.82;
- (i) the revised capital programme as set out in **Appendices 3 and 4.**

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 The report sets out a draft standstill budget for 2021-22 as well as indicative budgets for 2022-23 and 2023-24 and associated issues and includes current indications of the impact that this will have on Council Tax. It also sets out the updated capital programme, and it sets out the capital resources available to the authority to finance the capital programme.
- 3.2 Detailed figures are only available for 2021-22 pending the implementation of changes to the local Government funding regimes and material deficits exist in 2022-23 and 2023-24 based upon the implications of such changes.
- 3.3 The Council have set aside previously earmarked reserves to provide transitional funding pending the development of a sustainable medium-term budget following the outcome of the proposed changes

Reasons for Recommendations

- 3.4 The Council is required to set a balanced budget for 2021-22 set in the context of a sustainable medium-term financial plan.

4 Relationship to Corporate Priorities

- 4.1 The revenue budget and capital programme reflect the Council's priorities.

5 Report Detail

- 5.1 As a precursor to the consideration of the overall General Fund Revenue Budget, Cabinet approved the General Fund Financial Plan for the period 2020-21 to 2023-24 on 12 November 2020.
- 5.2 The report to Cabinet stated that the Council faced a period of financial uncertainty reflecting the ongoing impact of COVID 19 and fundamental changes to the Local Government Finance Regime. The pandemic has had a major financial impact on the Authority with a loss of income and additional cost pressures and this is likely to continue through 2021-22. Whereas no specific details exist in relation to the levels of funding the Council will receive from the Government for the new funding scheme with effect from 2022-23.
- 5.3 The General Fund Revenue Budget for the period 2021-22 to 2023-24 has now been compiled following the principles agreed in the Financial Plan and details contained in the Provisional Local Government Settlement.
- 5.4 Pending the determination of the ongoing impact of COVID 19 in each of these years the budget is being constructed based on the maintenance of existing

service provision reflecting the Councils priorities and objectives. A separate Contingency Element in relation to the potential ongoing impact of COVID 19 has been set aside within the Budget Page – Items to be allocated that forms part of the Leader of the Council Portfolio.

- 5.5 The detailed Portfolio Budgets together with Variation Statements as compared with the Budget Approved by Council last year are attached as **Appendix 2** to the report. The following paragraphs highlight the background to the compilation of the Revenue Budget.

5.6 **Budget issues**

Approved / Committed Variations

- 5.6.1 Provision exists within the Budget for the running costs of the new cemetery at Norton Canes as detailed in the report to Cabinet on the 21 May 2020. The 2021-22 Budget also reflects the deferment of the District Elections from May 2020 to 2021.

Inflation

- 5.6.2 The budgets for the three year period have been amended to reflect the ongoing impact of the 2020-21 pay award of 2.75% (as compared to the budget provision of 2%) offset by the proposed freeze on public sector pay (above the £24,000 threshold) for 2021-22 . No material changes have been made to future non pay budgets with the provision for CPI remaining at 2% for the duration of the budget period.

- 5.6.3 Business Rates income for 2021-22 has been adjusted to reflect details contained in the Provisional Local Government Settlement. Business Rates increase each year in accordance with inflation as determined by the annual increase in CPI as at September 2020. Although this amounted to 0.5% (as compared to the budget increase of 2%) there is no actual increase in business rates chargeable with the Government freezing the NNDR multiplier for 2021-22 (with local government being compensated for the difference via a Section 31 grant).

Spending pressures/ Loss of income

- 5.6.4 The detailed budgets have been refreshed to reflect the outturn for 2019-20 and the latest non COVID spending/income patterns.
- 5.6.5 The 2019-20 outturn reflected a reduction in income from Cannock Market shops and this has continued into 2020-21 and is likely to remain in place following the closure of the indoor market with vacant possession being key to the redevelopment proposals of the Town Centre. Budgetary provision therefore exists for the residual mothballing costs to 2022-23 and thereafter falls out following securing of a partner or demolition as appropriate.
- 5.6.6 The Base Budget also reflects anticipated increased audit fees following the Redmond Review, additional security costs for Rugeley Market Hall and a reduction in income for the Civic Centre following the Clinical Commissioning Group vacating the building. The above costs however been offset by an

increase in the income retained by the Council re Housing Benefit Subsidy arrangements.

- 5.6.7 The impact of COVID 19 has also had an indirect impact on the budget with the rephrasing of expenditure for the Economic Prosperity Strategy and the additional project manager to support the Capital /Section 106 programme.
- 5.6.8 In determining the 2023-24 budget additional provision has been made for; Employer Contributions to increase by a further 2% as a result of the 2019 triennial Actuarial Valuation of the Pension Fund (provision already existing within the indicative budgets for 2021-22 and 2022-23 as determined in 2020-21).; increments for staff as they progress through their grades and additional costs of demographic growth.
- 5.6.9 Details in relation to the Housing Benefit Administration Subsidy have been received however the amount of grant for and Local Council Tax Support is still awaited. The grants are subject to annual reductions and an earmarked reserve exists to mitigate such reductions in the short term pending the full implementation of Universal Credits.

Impact of COVID 19

- 5.6.10 Table 1 shows the impact of COVID 19 on service provision (Portfolio Budgets) throughout the Medium-Term Budget period. Separate provision exists within the Portfolio Budget for the potential impact of COVID 19 for 2021-22 to 2023-24 although the impact for 2020-21 is reflected in the forecast outturn of Portfolio Budgets.

Table 1: Impact of COVID19

	2020-21	2021-22	2022-23	2023-24
	£'000	£'000	£'000	£'000
Cost Pressures	863	1,117	559	279
Loss of Income	1,056	330	164	83
Total	1,919	1,447	723	362

- 5.6.11 The ongoing impact fundamentally relates to the loss of income with the cost pressure reflecting an increase in the Management Fee to Inspiring Healthy Lifestyles (IHL) reflecting the impact on their income
- 5.6.12 Cabinet at its meeting on the 14 January 2021 considered the impact of COVID 19 on IHL and in particular the termination of the Contract by Wigan Metropolitan Borough Council. Cabinet agreed a management fee for 2021-22 based upon a fixed contribution for the management of the contract and a variable budget for the operation of the facilities, as contained in the current contract , reflecting the projected impact of COVID19.
- 5.6.13 The aftermath of the pandemic is likely to have impacts on the leisure industry post 2021-22 and hence it is likely that the terms and conditions of the previously agreed (in principle) extension of the contract by 10 years from February 2022 will need to be reviewed. A further report will be submitted to Cabinet as more details become available.

Business Rates Income

5.6.14 A key issue in the Risk Analysis of the Budget (Appendix 1) is the Council's exposure to volatility in Business Rates with a reduction in income business rates due to the failure or temporary closure of a key industry and successful appeals against Rateable Values and back dated refunds.

5.6.15 In order to mitigate this risk as much as possible provision is made in both the budget and final accounts for reduction in rates due to appeals with the latter enabling the estimated level of back dated refunds to be catered for. Recent changes to Rateable Values have arisen in relation to Hospitals and Fire stations and it is likely that the impact of COVID may generate appeals based upon material Change in Circumstances

5.7 2020-21 Provisional Outturn

Monitoring of the 2020-21 Revenue Budget

5.7.1 The Budget for 2020-21 is monitored each month against the profiled budget. The position based on the December figures, reflecting the downturn in income and updated for known changes in the forecast outturn is set out in the following table:

Table 2: Budget Monitoring re 2020-21 as at 31 December 2020					
	Approved Budget	Profiled Budget	Actual to date	Variance	Forecast Outturn
	£000	£000	£000	£000	£000
Portfolio Budgets	13,178	11,866	12,666	800	14,448
Investment income	(271)	(203)	(112)	91	(141)
Technical Adjs.	569	-	-	-	569
Net Spending	13,476	11,663	12,554	891	14,876

5.7.2 The monitoring statement includes a projection to the financial year-end of the forecast outturn position. It is currently expected that there will be an overall net increase of £1,714,460 on Portfolio Budgets excluding income grants.

National Leisure Recovery Fund

5.7.3 Sport England on behalf of the Department for Digital, Culture, Media and Sport (DCMS) launched the National Leisure Recovery Fund on the 15 December 2020.

5.7.4 The National Leisure Recovery Fund seeks to support eligible public sector leisure centres to reopen to the public, giving the sport and physical activity sector the best chance of recovery to a position of sustainable operation over the medium term.

5.7.5 A total of £100 million is available as a biddable fund to eligible local authorities in England, which will be allocated in a single funding round covering the period 1 December 2020 to 31 March 2021.

- 5.7.6 The amount of funding available to IHL was detailed as part of the Expression of Interest process with the Notional Funding Allocation for the district being effectively capped at £0.200 million.
- 5.7.7 The process was determined pre the national lockdown and although the original objectives of the fund are not applicable DCMS have confirmed that the scheme remains valid. A completed application on behalf of IHL was submitted on the 15 January 2021 . Applicants will be notified of the outcome by late February 2021.
- 5.7.8 The award if successful is required to be paid to IHL and will form part of determining the level of support required by IHL as a result of COVID 19 for 2020-21

Local Tax Income Guarantee for 2020-21

- 5.7.9 The Government have also announced further details in relation to compensation in relation to irrecoverable losses in council tax and business rates income in respect of 2020-21.
- 5.7.10 Compensation will amount to 75% of such losses effectively measured by a comparison of estimates that form the basis of setting Council Tax and Business Rates (as provided to Government in advance of the year) and actual outturn, having taken into account other government support provided via Section 31 grants in relation to additional hardship relief provided (Council Tax) and Business Rate Reliefs/Holidays (NNDR)

5.8 Provisional Local Government Finance Settlement 2021-22

- 5.8.1 The Provisional Local Government Finance Settlement for 2021-22 was received by the Council on 17 December 2020. The settlement only relates to 2021-22, pending the introduction of 75% Business Rates and a Fair Funding review to determine both core funding and Business Rate Baselines for future years.
- 5.8.2 In particular the settlement determines both the core funding to the Council and basis of incentive funding for Business Rates. A Baseline Funding Level was determined at the commencement of the current scheme in 2013-14 with a Tariff paid to central government representing the difference between income collected and the Baseline. The Baseline Funding now represents the sole form of core funding following the demise of Revenue Support Grant.

Business Rates Retention

- 5.8.3 In accordance with the 2020 Spending Review, the Reset of Business Rates growth achieved to date has been deferred and business rates frozen at 2020-21 levels. No changes have been made to the Tariff paid to Central Government, which would have effectively increased to neutralise in whole or part the growth achieved to date.
- 5.8.4 The Financial Plan as approved by Cabinet in November 2020, assumed a 50% Reset in business rates growth with effect from 1 April 2021. The budget for

2021-22 also assumed that the Staffordshire and Stoke-on –Trent Business Rates Pool would remain in place for that year. The Provisional Settlement has confirmed that the pool remains designated for 2021-22 and hence a windfall of £0.65 million will occur in 2021-22 as a result of the Reset not taking place. The government however remain committed to future changes to business rates as part of a revised Local Government Funding regime. **Appendix 5** provides an analysis of Retained Business Rates Income for the Council.

New Homes Bonus

- 5.8.5 Provisional allocations for the New Homes Bonus Grant (NHB) scheme for 2021-22 were also announced by the Ministry of Housing, Communities and Local Government (MHCLG) on the 17 December 2020.
- 5.8.6 It was originally announced that 2020-21 would be the last round of the current scheme with a new incentive scheme to be introduced for 2021-22.
- 5.8.7 The new regime has however been deferred a year and hence the Government is proposing a new round of NHB payments in 2021-22. This will be the final set of allocations under the current approach, and the Government's proposal is that the payment for 2021-22 year will not attract new legacy commitments in future years.
- 5.8.8 The provisional allocations for 2021-22 therefore includes the two previous legacy payments for 2018-19 and 2019-20 and the new year allocation for 2021-22 (as with 2021-22 allocation the 2020-21 allocation was not subject to the subsequent three year legacy payments).
- 5.8.9 The draft budget for 2021-22 assumed legacy payments for 2018-19 and 2019-20 with provision being made in 2021-22 for a redistribution of the quantum of new homes, as top sliced from Revenue Support Grant across all authorities, rather than an actual allocation based upon new properties built in the year.
- 5.8.10 The settlement therefore provides a total allocation for 2021-22 of £1.417 million as compared to the Financial Plan of £1.258 million an increase of £0.159 million

Lower Tier Services Grant

- 5.8.11 The Government is proposing a new un-ring-fenced Lower Tier Services Grant in 2021-22, which will allocate £111 million to local authorities with responsibility for lower tier services (for example, homelessness, planning, recycling and refuse collection, and leisure services).
- 5.8.12 The grant is to be distributed based upon the 2013-14 settlement funding assessment with provision also being made to ensure that no authority sees an annual reduction in Core Spending Power when comparing 2020-21 funding to 2021-22 proposed funding. The grant effectively compensating for the reduction in legacy payments in relation to New Homes Bonus.
- 5.8.13 The allocation for the Council amounts to £0.130 million and solely relates to the 2013-14 distribution.

5.9 COVID funding for local Government in 2021-22

- 5.9.1 In addition to the Provisional Settlement the Government announced an additional un ring fenced funding for COVID-19 expenditure pressures.
- 5.9.2 This is being distributed using the COVID-19 Relative Needs Formula and has been designed to reflect the underlying drivers of expenditure: population and deprivation, and the varying cost of delivering services across the country.
- 5.9.3 The allocation for 2021-22 for Cannock Chase Council amounts to £0.540 million

5.10 Proposed Changes to existing Regimes from 2022-23

- 5.10.1 The Provisional Settlement is for one year only with the changes to the Local Government Finance Regime now set to be introduced in 2022-23. No details are available from 2022-23 onwards with Local Government funding expected to be subject to considerable change, arising from the planned implementation of Fair Funding and a revised 75% Business Rates Retention Scheme in that year.
- 5.10.2 The settlement stated that once the pandemic is over, the Government will continue to work with local government to understand the lasting impact it has had on both service demands and revenue raising. The priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system will be revisited. Final decisions will be taken in the context of next year's Spending Review.
- 5.10.3 The funding assumptions as contained within the Draft Budget therefore purely reflect the extrapolations as contained in the Financial Plan.
- 5.10.4 Pending the determination of the basis of the reset and any transitional arrangements a variety of scenarios exist and a middle ground 50% Partial Reset has been assumed in financial projections.
- 5.10.5 In relation to New Homes Bonus (NHB) the Provisional Settlement reiterates the Government's commitment to reforming the NHB, and this year will be the final year under the current approach. A consultation document on the future of the New Homes Bonus, including options for reform, is to be published early in the 2021 calendar year.
- 5.10.6 More robust figures will be determined as further details become available from the Government however actual details for this Council for Business rates; Fair Funding and New Homes Bonus will not be known until the late autumn of 2021 at the earliest.

6. General Fund Revenue Draft Budget 2021-22 to 2023-24

- 6.1 The table below sets out the Council's current draft General Fund Revenue Budget position for 2021-22 and indicative budgets for 2022-23 and 2023-24.
- 6.2 As stated previously, Government Funding for 2022-23 cannot be determined at this stage with figures representing this Council's interpretation of the new funding regime.

Table 3: General Fund Draft Budget 2021-22 to 2023-24			
	Budget 2021-22	Budget 2022-23	Budget 2023-24
	£000	£000	£000
Net Expenditure			
Portfolio budgets	14,917	14,856	14,618
Investment interest	(82)	(166)	(208)
Technical items	(171)	(326)	119
Net Spending	14,664	14,364	14,529
Less: Government Grants			
NNDR Multiplier	(159)	(159)	(159)
Lower Tier Grant	(130)		
COVID Grant	(541)		
Income Guarantee Grant	(14)		
New Homes Bonus	(1,417)	(850)	(316)
Budget Requirement	12,403	13,355	14,054
Financing			
Business Rates – Retained Income	(5,409)	(5,226)	(5,333)
Council Tax Income	(6,574)	(6,770)	(6,971)
Council Tax support Grant	(120)		
Total Financing	(12,103)	(11,996)	(12,304)
Less Transfer from Reserves	(300)		
Budget Shortfall/ Transfer from Working Balances	-	(1,359)	(1,750)

- 6.3 A deficit of £300,000 exists in 2021-22 and a balanced budget has been achieved by the use of Earmarked Reserves. In accordance with the financial plan £1.454 million of previously earmarked reserves have been released to partly offset the impact of COVID 19, The use of £0.300 million will leave £1.154 million to support the budget and maintain service provision and potentially offset any deficit in 2022-23.
- 6.4 It should be noted that the position outlined above for 2021-22 is draft, reflecting a provisional settlement, and could marginally change between now and the Council Tax being set by Council in late February. Costs relating to capital charges and the allocation of departmental and support services recharges have been disregarded as they do not affect the level of expenditure to be met from Council Tax.

6.5 The material changes occurring since the Financial Plan can be summarised as follows: -

Table 4: Revenue Budget (Surplus) / Deficit Reconciliation			
	Budget 2021-22	Budget 2022-23	Budget 2023-24
	£000	£000	£000
Financial Plan Original Deficit / (Surplus)	2,015	1,001	1,571
Portfolio Changes			
Pay Award Freeze 2021-22	(108)	(110)	(110)
Inflation/Recharges	13	(4)	28
Increments			22
Markets Shops Income	104	104	104
Market Shops Expenditure			(134)
Utilities	31	8	8
Project Manager – Capital/S106		50	50
MSCP Mothballing	(100)	100	
Rugeley Market Hall	10	10	10
Economic Prosperity Strategy	(67)	45	
Housing Benefits	(150)	(150)	(150)
Audit Fees	8	9	8
Leisure Contract – Pensions		41	41
Leisure Management Fee	(90)		
Rents – Town Centre Mgt. /Civic Centre	37	37	37
Other	34	41	37
RCCO rephasing		(50)	
Members Allowances – Pay Freeze	(7)	(7)	(8)
Provisional Settlement -			
Business Rates Reset	(648)		
CPI	103	103	103
NNDR Multiplier	(62)	(62)	(62)
New Homes Bonus	(159)		
Lower Tier Grant	(130)		
COVID			
Income Guarantee	(14)		
Additional Expenses Grant	(540)		
Council Tax Base			
Local Council Tax Support	100	100	100
Collection Rate	(68)	9	12
LCTS Grant	(120)		
Business Rates			
Provision for Appeals	108	84	83
Revised Deficit / (Surplus)	300	1,359	1,750

7. Council Tax Base and Collection Fund

7.1 The final part of the consideration of the Budget is the Council Tax base. This is the number of properties in the district expressed in terms of Band D equivalents. The amount of money that the Council can raise per £1 charge for a Band D equivalent property can be established from the tax base.

7.2 The Council's Tax Base is now estimated to be 29,136.82 a reduction of 105.72 (0.36%) on 2020-21. The reduction reflects the impact of COVID19 with a reduction in new properties being built in the district (as compared to the projection), combined with an increased cost of the LCTR scheme and a short-term reduction in the collection rate.

7.3 The Council's Tax Base is now calculated on the following basis:

Council Tax base for budget setting purposes	32,742.73
Less: impact of Local Council Tax Reduction Scheme	<u>(3,605.91)</u>
	29,136.82

7.4 The Local Council Tax Discount element of the Council Tax Base shows an increase of 159.58 as compared to 2020-21 and is likely to increase further as a result of COVID 19. The increase amounts to a cost to the Council of £100,000 based upon present numbers as compared to an allocation in the form of a Section 31 grant for the total cost in 2021-22 of £120,000. Details of the tax base, broken down over parishes are set out in **Appendix 7**.

7.5 The Council's Collection Fund has been reviewed as part of the budget process and is expected to break even in 2021-22.

8. Council Tax 2021-22

8.1 In determining the level of Council Tax for 2021-22 Cabinet will need to consider the medium-term financial position and the Council Tax Referendum Thresholds.

8.2 The Localism Act 2011 contains provisions to veto excessive Council Tax increases by means of a referendum. The Council Tax Referendum threshold principles for 2021-22 are in accordance with last year notably increases above 2% or £5 whichever is the greater will be subject to a referendum.

8.3 Authorities planning to set excessive council tax increases would be required to draw up shadow budgets with both budgets being approved as part of the budget process and a referendum held in May. If the rise in Council Tax is rejected the shadow budget would be adopted immediately and refunds made to residents in accordance with a predetermined timetable.

8.4 The Financial Plan as considered by Cabinet in November was based upon the 1.95% increase as assumed as part of the 2020-21 budget. A 1% increase amounts to £64,000 per annum.

8.5 In light of the above considerations Cabinet are proposing that the Band D Council Tax for 2021-22 will increase to £225.64 as proposed last year.

8.6 The final level of Council Tax levied will be determined by Council on 24 February 2021. The figures set out in this report may require minor amendment if any further information emerges before then.

- 8.7 The total Council Tax for the District will reflect the spending decision made by the County Council, the Office of the Police and Crime Commissioner and the Fire Authority. In addition, in certain areas, parish council precepts are also added to the overall bill.

9. Reserves and Balances

- 9.1 Reserves and Balances comprise General Reserves, the Working Balance and Earmarked Reserves. The general strategy for using unallocated reserves is that they are used to meet shortfalls in the net budget during the year. This is particularly important in the current economic circumstances when sources of income, at both national and local level, are particularly volatile.
- 9.2 In accordance with the recommendations contained in the report the level of Working Balances as at 31 March each year is as follows:

Table 5: Level of Working Balances				
	31/03/21	31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000
Balance B/fwd.	1,000	1,294	1,294	(65)
Applied in Year	294		(1,359)	(1,750)
Balance C/fwd.	1,294	1,294	(65)	(1,815)
Minimum	(1,000)	(812)	(1,147)	(1,176)
Surplus to Support Budget	294	482	(1,212)	(2,991)

- 9.3 The overall General Fund balance at 31 March 1 April 2020 was £2.624 million and consisted of the General Fund balance set at a minimum of £1.0 million, together with an earmarked reserve of £1.624 to support the Capital Programme. In accordance with the Financial Plan the use of the latter reserve is temporarily on hold awaiting the changes arising from the new Local Government Regime and the impact of COVID 19 and hence is not reflected in the above or available capital resources.
- 9.4 The potential overall cumulative deficit as at 31 March 2024 amounts to £2,991 million and corrective action will be required to address this deficit if the assumptions materialise as part of the 2022-23 settlement.
- 9.5 The Council holds a number of earmarked reserves for specific purposes. In light of the challenges facing the Council a comprehensive review of all reserves has been undertaken that enabled £1.8 million of reserves to be released consisting of £1.454 million budget support and replenishment of the Building maintenance reserve of £0.346 million. Reserves continue to be reviewed on an annual basis and any, which are identified to be no longer required, are incorporated within the Budget Support working balance.
- 9.6 A summary of earmarked reserves incorporating their planned use over the next four years is detailed below

Table 6: General Fund Reserves				
	31/03/21	31/03/22	31/03/23	31/03/24
Revenue	£'000	£'000	£'000	£'000
Building Maintenance Reserve	346	246	146	46
Bond	267	286	296	307
Budget Support	1,550	1,220	1,207	1,195
Contingency	1,764	1,854	1,454	1,454
Corporate	109	103	97	91
Partner	57	59	62	64
Ring-fenced	62	61	61	61
Service Grant	50	50	50	50
Rollovers	40	40	40	40
Shared Services	408	408	408	408
Pension Reserve				
Other	620	627	611	604
Donations	6	6	6	6
Grants	1,295	1,122	984	910
Trading	38	38	38	38
Section 106	2,024	1,949	1,873	1,855
Sub-Total	8,636	8,069	7,333	7,129
Capital				
Capital	1,410	1,269	1,128	1,037
CIL	2,671	2,361	2,151	2,151
RCCO	15	15	15	15
Earmarked	2,521	2,256	2,261	2,261
Sub-Total	6,617	5,901	5,555	5,464
Grand Total	15,253	13,970	12,888	12,593

9.7 **Appendix 6** sets out the required report on the robustness of the budget estimates and the adequacy of the Council's reserves

10. Capital Programme 2020-21 to 2023-24

10.1 On 12 February 2020, Council approved a capital programme to 2022-23. This programme has been updated to include approved changes, re-profiled to reflect current spend estimates reflecting slippage in schemes and more up to date information on costs.

10.2 The programme includes the additional cost of the cemetery as approved by Cabinet in May 2020, whereas the cost of the new Financial Management System now includes the aggregation of the revenue costs for the replacement of the corporate E-Payments and other finance related systems (jointly funded with Stafford Borough Council). Provision also exists for the cladding work at the Prince of Wales Theatre as part of the Town Centre Environmental Programme.

10.3 Two new schemes have been included in relation to Rugeley Leisure Centre notably repairs to the Swimming Pool and a replacement Boiler, and details are included in a separate report on today's Agenda.

- 10.4 In addition to the above the programme now includes the rolling programme of expenditure requirements for the new programme year 2023-24 however there are effectively no new schemes with the Council currently evaluating the planned maintenance requirements as part of its Asset Management Strategy.
- 10.5 The updated programme is attached at **Appendix 3** with anticipated expenditure and resources as reflected by the Capital Budget included at **Appendix 4**.

Table 7: Uncommitted Capital Resources		
	General Fund	Section 106
	£000	£000
Capital resources brought forward at 1 April 2020	9,494	1,697
Capital Receipts	711	
Section 106/CIL		970
Capital Grants	4,282	
Joint Investment Fund	214	
Contributions	532	
Revenue contribution to Capital Outlay		
Use of Reserves	222	
Draft Capital Programme 2020-21 to 2023-24	(15,114)	(1,463)
Remaining resources at 31 March 2024	341	1,204

- 10.6 The resources position currently identifies a surplus of £0.341 million of General Fund resources. However, it should be noted that this position includes capital receipts forecast from the sale of residual property of £0.711 million which are yet to be received.

11 Implications

11.1 Financial

The potential loss of income in relation to New Homes Bonus; the Fair Funding Review combined with the Reset of business rates growth represents key risks which will undoubtedly impact on the Council's ability to deliver services in the future. The impact can be reduced (or increased) dependent upon the actual schemes introduced as a result of the New Financial Regime and the growth opportunities / risks associated with the Business Rates Retention scheme.

11.2 Legal

The legal implications are set out throughout the report including the statutory requirement for the Council to set a balanced budget.

11.3 Human Resources

None.

11.4 Risk Management

Risk management issues have been covered in the report detail.

11.5 Equality & Diversity

None.

11.6 Climate Change

A costed Climate Change Action Plan is being prepared and will be subject to consideration as part of future year's budget processes. Any interim measures that cannot be contained within existing budgets will be subject to separate reports to Cabinet and Council as appropriate.

12 Appendices to the Report

Appendix 1: Risks considered in determining the Working Balance

Appendix 2: Detailed Portfolio Budgets and Variation Statements

Appendix 3: Capital Programme 2020-21 to 2023-24

Appendix 4: General Fund and Section 106 Capital Budgets 2020-21 to 2023-24

Appendix 5: Business Rates Retention – Retained Income

Appendix 6: Robustness of the Budget Estimates and the Adequacy of the Council's Reserves

Appendix 7: Council Tax Base - Parishes

Previous Consideration

Financial Plan 2020-21 to 2023-24 Cabinet 12 November 2020

Background Papers

None.

PAGE INTENTIONALLY BLANK

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
Resources								
Business Rates Baseline (Revenue Support Grant)	Medium	N/A	+0.300	+0.600		+0.150	+0.300	The Provisional Settlement has been received for 2021-22 and represents the 2020-21 settlement uplifted for inflation. The Council is no longer in receipt of Revenue Support Grant and a new funding regime comes into place from 2022-23 based upon a Fair Funding Assessment. It is likely that the new regime will result in a rebalancing of support to local authorities with social care responsibilities. In accordance with the 75% Business Rates System, any amendment to the Councils overall funding assessment will be actioned via a reduction in the Business Rates Baseline. A 10% reduction in core funding amounts to £0.300 million.

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
Resources								
75% Business Rates	Med	N/A	+1.300	+1.300		+0.650	+0.650	A new 75% Business Rates Retention Scheme is to be introduced in 2022-23. The design of a 75% scheme will be subject to detailed consultation and hence at this stage its implications cannot be determined. In reviewing the work undertaken nationally in designing a scheme the following key issues, in addition to the : Core Funding/Fair Funding Baseline have been identified notably; Tier Splits; Transitional Funding and Resets. The latter provides the greatest threat with at present a 5 year rolling programme similar to New Homes Bonus being favoured. Existing growth will therefore be eliminated on a 5 year cycle unless replaced by new growth, Existing growth amounts to £1.3 million and a reduction of £0.650 million is included in the budget from 2022-23..If the existing growth is greater than 5 years old a full reset will occur. In addition to existing growth the Designer Outlet Village is due to open in

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
75% Business Rates (ctd)								February 2021. Provision exists for additional part year Growth from MGDOV in 20-21 with a full year effect in 21-22 however it is difficult to determine the exact income in 2021-22 due to the impact of COVID 19 on occupancy and exemption levels. The basis of determining the Business Rates Baseline is still to be determined and hence a major risk exists that this growth effectively is included in the Initial Full reset. The risk of a Full Reset in 22-23 therefore amounts to £0.65 million on existing growth increasing to £1.5 million with Mill Green
- Volatility in Business Rates	High	+0.358	+0.852	+0.852	+0.358			The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key industry, delay in the implementation of new schemes (MGDOV; the impact of Appeals against Rateable Values and increased void periods. However material volatility is likely as a result of the impact of COVID 19 on the local economy. Provision exists for such changes in exemptions and collection rates for 2021-22 Government proposals for the new system attempt to mitigate the impact of appeals and a new Safety Net or guarantee of core funding of 95% with an exposure of £0.15 million.

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
Council Tax Base	Med		+/- 0.063	+/- 0.063		+/- 0.015	+/- 0.015	The Council Tax base for 2021-22 is based upon a cut off point each year and although figures are up to date at November 2020 they will vary as properties become occupied /unoccupied etc. and the impact of new properties coming in line during the next financial year. The Council has seen a marked increase in the amount of Local Council Tax Support provided and this has had a negative impact on Council Tax. The major risk relates to whether the forecast increase in Council Tax base can be achieved after taking into account such changes. The budget assumes a 1.25 % increase in 2022-23 and 2023-24. A 1% variation amounts to approximately £64,700.
Council Tax	Low	0.270						Council Tax increases will be subject to a referendum if considered excessive by the Government. Current assumptions are within the referendum criteria

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
New Homes Bonus	Med		+0.6			+0.150		<p>The government have stated for a number of years that they intend to review the current scheme, (reiterated as part of 2021-22 Provisional Settlement Consultation), however details are still awaited.</p> <p>The Budget at this stage post 2021-22 reflects only the continuation of the legacy payment for 2019-20 with legacy payments not applying to the 2020-21 and 2021-22 allocation.</p> <p>A discontinuation of legacy payments in 2022-23 would result in a loss of funding of £0.6 million</p>

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
<u>Realism of standstill budget</u>								The budget is based upon realistic estimates with the strategy assuming all budgets will be controlled within agreed levels. However, a number of budgets are not within the control of the Council or involve a risk element.
COVID19								
<p>The budgets for 2021-22 and future years are particularly complicated due to the potential impact of COVID 19. The budget has therefore been constructed based upon the maintenance of existing level of service and is considered to accurately reflect likely expenditure in 2021-22, being based on historic information, experience of expenditure in previous years and latest projections where appropriate. The indicative budgets for 2022-23 and 2023-24 are similarly based upon the best information available at this moment in time.</p> <p>A separate COVID 19 contingency estimate has been provided for each of the three years. This estimate has been based upon three scenarios best, worst case and a middle ground. Separate provision exists within the Leader of the Council portfolio for the mid case scenario with the best and worst case scenarios being reflected in the determination of the Working Balance</p>								
Best /Worst Case Analysis	MED	-1.221/ +1.047	-0.61/ +0.525	-0.305/ +0.260	-0.305/ +0.260	-0.150/ +0.130	-0.076 +0.065	

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
Planning Fees	Med/ High	+/- 0.055	+/- 0.160	+/- 0.160	+ /- 0.027	+/- 0.080	+/- 0.080	Planning fees income continues to show a downturn with the base budget showing ongoing reductions of £126,000 as compared to five years ago. In particular any downturn in major applications will impact on planning fee income. The Council have elected to increase planning fees by 20% with the additional income to be invested in the planning department. Any downturn in applications will therefore be further enhanced by the additional investment incurred.
<u>Inflation</u>	Low							Annual inflation post 2021-22 of 2% for prices and 2% for pay and 2% income have been included within the standstill budget.
Pay Awards	Low /Med		+0.100/ -0.200	+0.300/ -0.0300		+0.050/ -0.100	+0.150/ -0.150	The budget assumes a pay freeze in 2021-22 and a 2% per annum increase thereafter. A 1% variation amounts to £100,000 net of recharges.
Interest Rates	Med	- 0.018	- 0.090	- 0.090		-0.030	-0.030	The amount earned depends on the prevailing interest rates and the level of cash balances held.

Risks Considered in Determining the Working Balance

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		21-22 £m	22-23 £m	23-24 £m	21-22 £m	22-23 £m	23-24 £m	
Rates	Low		+0.024	+0.036				Variations to the budget will arise if the NNDR multiplier increases are in excess of the Council inflation assumption. Recent Government announcements suggest that increases will be lower than the September inflation levels.
Energy	Low/ Med							Energy prices are subject to volatility and although a time lag exists between changes in wholesale food and energy costs and actual charges, the budget reflects the latest contracts for energy supply.
General Contingency					+0.200	+0.150	+0.150	Future year's budgets reflect the ongoing aggregate implications of assumptions that have a high risk identified unless separately identified. Provision will however be required for unforeseen events
Maximum					0.965	1.457	1.492	
Minimum					0.346	0.837	0.861	
Average					0.655	1.147	1.176	
Audit Commission					0.812	0.790	0.800	

PAGE INTENTIONALLY BLANK

Corporate Improvement**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Legal Services				
Third Party Payments	256,040	264,060	273,860	282,470
Total Expenditure	256,040	264,060	273,860	282,470
Income	(169,910)	(176,660)	(183,690)	(191,050)
Total Income	(169,910)	(176,660)	(183,690)	(191,050)
Legal Services Net Expenditure	86,130	87,400	90,170	91,420
2 Technology				
Supplies & Services	93,340	123,060	123,770	125,240
Third Party Payments	743,850	759,200	780,120	800,740
Total Expenditure	837,190	882,260	903,890	925,980
Income	(196,560)	(203,870)	(211,460)	(219,940)
Total Income	(196,560)	(203,870)	(211,460)	(219,940)
Technology Net Expenditure	640,630	678,390	692,430	706,040
3 Governance				
Employee Expenses	110,240	109,490	112,900	116,360
Transport Related Expenditure	1,060	1,070	1,080	1,090
Supplies & Services	30,720	30,720	30,720	31,020
Total Expenditure	142,020	141,280	144,700	148,470
Income	(34,900)	(29,970)	(30,490)	(30,980)
Total Income	(34,900)	(29,970)	(30,490)	(30,980)
Governance Net Expenditure	107,120	111,310	114,210	117,490
4 Human Resources				
Employee Expenses	400	.	.	-
Third Party Payments	247,530	257,600	266,650	275,550
Total Expenditure	247,930	257,600	266,650	275,550
Income	(144,670)	(149,990)	(155,940)	(162,190)
Total Income	(144,670)	(149,990)	(155,940)	(162,190)
Human Resources Net Expenditure	103,260	107,610	110,710	113,360
5 Customer Services				
Employee Expenses	246,600	255,270	264,000	273,010
Supplies & Services	110,760	105,030	105,890	106,960
Third Party Payments	7,000	7,000	7,140	7,280
Total Expenditure	364,360	367,300	377,030	387,250
Income	(98,130)	(96,300)	(100,120)	(104,120)
Total Income	(98,130)	(96,300)	(100,120)	(104,120)
Customer Services Net Expenditure	266,230	271,000	276,910	283,130

Corporate Improvement**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
6 Corporate Services				
Employee Expenses	127,520	131,870	136,400	141,010
Supplies & Services	91,400	98,440	99,310	100,310
Total Expenditure	218,920	230,310	235,710	241,320
Income	(36,880)	(34,630)	(35,960)	(37,310)
Total Income	(36,880)	(34,630)	(35,960)	(37,310)
Corporate Services Net Expenditure	182,040	195,680	199,750	204,010
7 Communications				
Employee Expenses	259,290	263,540	273,530	282,250
Transport Related Expenditure	3,130	3,140	3,170	3,200
Supplies & Services	33,850	32,130	32,510	32,870
Total Expenditure	296,270	298,810	309,210	318,320
Income	(23,910)	(24,070)	(24,630)	(25,210)
Total Income	(23,910)	(24,070)	(24,630)	(25,210)
Communications Net Expenditure	272,360	274,740	284,580	293,110
8 Policy & Performance				
Employee Expenses	108,820	114,090	119,540	125,020
Transport Related Expenditure	320	320	320	320
Supplies & Services	11,230	11,010	11,130	11,240
Total Expenditure	120,370	125,420	130,990	136,580
Policy & Performance Net Expenditure	120,370	125,420	130,990	136,580
9 Land Charges				
Employee Expenses	35,510	32,330	33,240	34,260
Supplies & Services	37,650	41,280	41,700	42,120
Total Expenditure	73,160	73,610	74,940	76,380
Income	(74,960)	(73,610)	(74,940)	(76,380)
Total Income	(74,960)	(73,610)	(74,940)	(76,380)
Land Charges Net Expenditure	(1,800)	-	-	-
10 Audit				
Employee Expenses	172,280	222,930	233,160	242,270
Transport Related Expenditure	1,360	1,370	1,380	1,390
Supplies & Services	78,100	36,700	37,080	37,460
Total Expenditure	251,740	261,000	271,620	281,120
Income	(115,040)	(117,970)	(121,620)	(125,080)
Total Income	(115,040)	(117,970)	(121,620)	(125,080)
Audit Net Expenditure	136,700	143,030	150,000	156,040

Corporate Improvement**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
11 Risk				
Employee Expenses	149,990	161,430	167,920	173,860
Transport Related Expenditure	4,170	4,210	4,250	4,290
Supplies & Services	647,310	646,870	653,760	659,760
Total Expenditure	801,470	812,510	825,930	837,910
Income	(720,280)	(730,910)	(754,420)	(778,620)
Total Income	(720,280)	(730,910)	(754,420)	(778,620)
Risk Net Expenditure	81,190	81,600	71,510	59,290
12 Resilience				
Employee Expenses	17,280	18,070	18,880	19,700
Premises Related Expenditure	140	140	140	140
Supplies & Services	61,810	63,360	63,990	64,630
Total Expenditure	79,230	81,570	83,010	84,470
Income	(51,700)	(53,020)	(54,420)	(55,710)
Total Income	(51,700)	(53,020)	(54,420)	(55,710)
Resilience Net Expenditure	27,530	28,550	28,590	28,760
13 Customer Serv Mgmt (incl Social Alarms)				
Employee Expenses	93,640	98,840	104,200	109,570
Transport Related Expenditure	1,060	1,070	1,080	1,090
Supplies & Services	10,090	8,140	8,230	8,320
Third Party Payments	50,950	51,970	53,010	54,070
Total Expenditure	155,740	160,020	166,520	173,050
Income	(104,390)	(105,480)	(109,460)	(113,610)
Total Income	(104,390)	(105,480)	(109,460)	(113,610)
Customer Serv Mgmt (incl Social Alarms) Net Expenditure	51,350	54,540	57,060	59,440
Corporate Improvement Net Expenditure	2,073,110	2,159,270	2,206,910	2,248,670

Corporate Improvement PortfolioVariation Statement 2021/2022 to 2023/2024

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,399	9	1,408	1,454	10	1,464	25	29	1,518
Transport Related Costs	11	-	11	11	-	11		-	11
Supplies and Services	1,144	53	1,197	1,155	53	1,208	12	-	1,220
Third Party Payments	1,336	4	1,340	1,376	5	1,381	28	11	1,420
Total Expenditure	3,890	66	3,956	3,996	68	4,064	65	40	4,169
Income	- 1,777	- 20	- 1,797	- 1,837	- 20	- 1,857	- 61	- 2	- 1,920
Net Expenditure	2,113	46	2,159	2,159	48	2,207	4	38	2,249

Corporate Improvement Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		9
Office 365 licence cost		
Supplies	42	
HRA Recharge	-13	29
Postages		
Supplies	11	
Income	2	13
Shared service costs (reflecting pay award)		
Third Party (payment to SBC)	5	
Income (payment from SBC)	-1	4
Increased hra recharges reflecting pay award		-8
minor variations		-1
		<u><u>46</u></u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		9
Office 365 licence cost		
Supplies	42	
HRA Recharge	-13	29
Postages		
Supplies	11	
Income	2	13
Shared service costs (reflecting pay award)		
Third Party (payment to SBC)	4	
Income (payment from SBC)	-1	3
Increased hra recharges reflecting pay award		-8
minor variations		2
		<u><u>48</u></u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		28
Shared service payments to SBC		12
minor variations		-2
		<u><u>38</u></u>

PAGE INTENTIONALLY BLANK

Crime & Partnerships**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Partnerships				
Employee Expenses	239,410	202,860	200,160	208,030
Premises Related Expenditure	17,850	18,210	18,580	18,950
Transport Related Expenditure	2,390	2,420	2,450	2,480
Supplies & Services	93,580	8,340	8,430	8,520
Total Expenditure	353,230	231,830	229,620	237,980
Income	(124,940)	(10,420)	.	-
Total Income	(124,940)	(10,420)	.	-
Partnerships Net Expenditure	228,290	221,410	229,620	237,980
2 CCTV				
Employee Expenses	138,560	141,110	146,080	151,150
Premises Related Expenditure	9,500	9,690	9,880	10,080
Supplies & Services	83,860	83,520	84,370	85,220
Total Expenditure	231,920	234,320	240,330	246,450
Income	(50,440)	(51,570)	(52,750)	(53,980)
Total Income	(50,440)	(51,570)	(52,750)	(53,980)
CCTV Net Expenditure	181,480	182,750	187,580	192,470
Crime & Partnerships Net Expenditure	409,770	404,160	417,200	430,450

Crime & Partnerships Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	332	12	344	345	1	346	7	6	359
Premises Related Costs	28	-	28	28	1	29	-	-	29
Transport Related Costs	2	-	2	2	-	2	-	-	2
Supplies and Services	93	- 1	92	94	- 1	93	1	-	94
Total Expenditure	455	11	466	469	1	470	8	6	484
Income	- 51	- 11	- 62	- 52	- 1	- 53	- 1	-	- 54
Net Expenditure	404	-	404	417	-	417	7	6	430

Crime & Partnerships Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Anti Social Behaviour Key worker funded by grant		
Employees	10	
Income	-10	0
Pay award 0.75% increase		2
minor variations		-2
		<u>0</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		2
minor variations		-2
		<u>0</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		5
minor variations		1
		<u>6</u>

PAGE INTENTIONALLY BLANK

Culture and Sport**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Parks & Open Spaces				
Employee Expenses	497,790	513,500	542,520	499,880
Premises Related Expenditure	416,670	441,890	439,740	451,280
Transport Related Expenditure	20,420	20,790	18,840	19,140
Supplies & Services	190,270	173,250	144,760	136,060
Third Party Payments	181,230	186,070	191,460	196,910
Total Expenditure	1,306,380	1,335,500	1,337,320	1,303,270
Income	(122,000)	(149,280)	(148,950)	(84,060)
Total Income	(122,000)	(149,280)	(148,950)	(84,060)
Parks & Open Spaces Net Expenditure	1,184,380	1,186,220	1,188,370	1,219,210
2 Stadium				
Employee Expenses	17,410	42,540	43,290	44,150
Premises Related Expenditure	49,990	50,030	50,760	51,590
Supplies & Services	20,730	20,730	20,730	20,730
Total Expenditure	88,130	113,300	114,780	116,470
Stadium Net Expenditure	88,130	113,300	114,780	116,470
3 Cemeteries				
Employee Expenses	114,760	138,980	144,390	149,280
Premises Related Expenditure	65,220	63,640	67,990	69,350
Transport Related Expenditure	6,350	10,490	10,700	10,420
Supplies & Services	63,560	23,390	23,680	41,070
Total Expenditure	249,890	236,500	246,760	270,120
Income	(185,640)	(194,390)	(222,010)	(280,500)
Total Income	(185,640)	(194,390)	(222,010)	(280,500)
Cemeteries Net Expenditure	64,250	42,110	24,750	(10,380)
4 Contract Monitoring				
Employee Expenses	198,950	205,640	212,520	219,510
Premises Related Expenditure	10,910	11,020	11,130	11,240
Transport Related Expenditure	9,920	10,090	10,260	10,430
Supplies & Services	3,240	2,830	2,850	2,870
Total Expenditure	223,020	229,580	236,760	244,050
Income	(46,840)	(48,700)	(50,640)	(52,670)
Total Income	(46,840)	(48,700)	(50,640)	(52,670)
Contract Monitoring Net Expenditure	176,180	180,880	186,120	191,380
5 Leisure Management Contract				
Premises Related Expenditure	179,010	182,590	186,240	189,960
Supplies & Services	1,763,480	2,260,550	1,803,400	1,839,480
Total Expenditure	1,942,490	2,443,140	1,989,640	2,029,440
Income	(268,960)	(182,420)	(186,050)	(189,750)
Total Income	(268,960)	(182,420)	(186,050)	(189,750)
Leisure Management Contract Net Expenditure	1,673,530	2,260,720	1,803,590	1,839,690

Appendix 2

Culture and Sport

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
6 Leisure, Planning & Marketing				
Employee Expenses	152,890	209,840	218,040	170,800
Transport Related Expenditure	2,100	2,110	2,120	2,140
Supplies & Services	27,770	24,870	16,360	16,420
Total Expenditure	182,760	236,820	236,520	189,360
Income	(90,530)	(89,920)	(83,420)	(30,230)
Total Income	(90,530)	(89,920)	(83,420)	(30,230)
Leisure, Planning & Marketing Net Expenditure	92,230	146,900	153,100	159,130
7 Allotments				
Premises Related Expenditure	3,930	4,000	4,070	4,150
Total Expenditure	3,930	4,000	4,070	4,150
Income	(4,640)	(4,640)	(4,640)	(4,640)
Total Income	(4,640)	(4,640)	(4,640)	(4,640)
Allotments Net Expenditure	(710)	(640)	(570)	(490)
Culture and Sport Net Expenditure	3,277,990	3,929,490	3,470,140	3,515,010

Culture & Sport Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,050	60	1,110	1,019	142	1,161	19	- 96	1,084
Premises Related Costs	729	24	753	732	28	760	14	3	777
Transport Related Costs	39	4	43	37	5	42	1	- 1	42
Supplies and Services	1,904	602	2,506	2,021	- 9	2,012	38	7	2,057
Third Party Payments	186	-	186	192	- 1	191	4	2	197
Total Expenditure	3,908	690	4,598	4,001	165	4,166	76	- 85	4,157
Income	- 629	- 40	- 669	- 657	- 39	- 696	- 10	64	- 642
Net Expenditure	3,279	650	3,929	3,344	126	3,470	66	- 21	3,515

Culture & Sport Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		7
HLF Post extended funded by income		
Employees	27	
Income	-27	0
New Cemetery budget		
Employees	25	
Premises	9	
Transport	5	
Supplies	4	
Income	-28	15
Additional grounds recharge		7
Leisure Management contract		
COVID additional support	689	
Reserve contribution removed	-90	599
Additional rates and utilities		8
Cemeteries reduced income		16
minor variations		-2
		<u>650</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		7
HLF Post extended funded by income		
Employees	56	
Income	-56	0
HLF Budget realignment		
Supplies	10	
Income	-10	0
New Cemetery budget		
Employees	26	
Premises	12	
Transport	5	
Supplies	4	
Income	-52	-5
Additional grounds recharge		7
Additional rates and utilities		9
Cemeteries reduced income		16
Leisure management contract		
Supplies	-23	
Income	64	41
Project management		52
minor variations		-1
		<u>126</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		10
Increased recharges following pay award		
Streetcleansing	2	
Grounds	6	8
Heritage Lottery Fund (HLF) falling out		
Employees	-56	
Supplies	-10	
Income	66	0
New Cemetery budget		
Supplies	17	
Income	-55	-38
Leisure planning & marketing project management post		
Employees	-53	
Income	53	0
minor variations		-1
		<u>-21</u>

PAGE INTENTIONALLY BLANK

Economic Development and Planning**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Economic Development				
Employee Expenses	205,060	186,470	272,250	279,330
Transport Related Expenditure	2,710	2,740	2,770	2,800
Supplies & Services	435,870	139,490	114,670	70,010
Total Expenditure	643,640	328,700	389,690	352,140
Income	(446,670)	(15,530)	.	-
Total Income	(446,670)	(15,530)	.	-
Economic Development Net Expenditure	196,970	313,170	389,690	352,140
2 Management & Support				
Employee Expenses	433,650	439,680	455,090	471,180
Transport Related Expenditure	6,090	10,690	10,790	10,900
Supplies & Services	140,440	101,880	84,070	84,900
Total Expenditure	580,180	552,250	549,950	566,980
Income	(152,050)	(67,210)	(51,510)	(53,650)
Total Income	(152,050)	(67,210)	(51,510)	(53,650)
Management & Support Net Expenditure	428,130	485,040	498,440	513,330
3 Development Control				
Employee Expenses	360,110	279,980	290,540	301,260
Transport Related Expenditure	5,890	5,950	6,010	6,070
Supplies & Services	130,400	94,030	94,430	94,820
Total Expenditure	496,400	379,960	390,980	402,150
Income	(361,000)	(374,320)	(374,890)	(375,460)
Total Income	(361,000)	(374,320)	(374,890)	(375,460)
Development Control Net Expenditure	135,400	5,640	16,090	26,690
4 Building Control				
Employee Expenses	534,550	585,530	605,240	624,930
Transport Related Expenditure	18,840	21,860	22,080	22,300
Supplies & Services	75,510	66,190	66,860	67,520
Total Expenditure	628,900	673,580	694,180	714,750
Income	(497,080)	(541,800)	(556,160)	(570,590)
Total Income	(497,080)	(541,800)	(556,160)	(570,590)
Building Control Net Expenditure	131,820	131,780	138,020	144,160
5 Industrial Sites				
Premises Related Expenditure	11,150	11,290	11,410	11,600
Supplies & Services	9,360	.	.	-
Capital Financing Costs	1,610	1,610	1,610	1,610
Total Expenditure	22,120	12,900	13,020	13,210
Income	(101,000)	(115,000)	(115,000)	(115,000)
Total Income	(101,000)	(115,000)	(115,000)	(115,000)
Industrial Sites Net Expenditure	(78,880)	(102,100)	(101,980)	(101,790)

Appendix 2

Economic Development and Planning

	Outturn 2020-2021 £	Budget 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £
6 Public Buildings				
Employee Expenses	252,190	249,500	257,220	264,430
Premises Related Expenditure	601,210	527,740	535,090	543,970
Transport Related Expenditure	3,400	3,430	3,460	3,490
Supplies & Services	56,980	51,750	52,260	52,740
Total Expenditure	913,780	832,420	848,030	864,630
Income	(395,760)	(366,070)	(371,700)	(379,560)
Total Income	(395,760)	(366,070)	(371,700)	(379,560)
Public Buildings Net Expenditure	518,020	466,350	476,330	485,070
7 Civic Ballroom				
Premises Related Expenditure	620	630	640	650
Total Expenditure	620	630	640	650
Income	(13,700)	(13,980)	(14,260)	(14,320)
Total Income	(13,700)	(13,980)	(14,260)	(14,320)
Civic Ballroom Net Expenditure	(13,080)	(13,350)	(13,620)	(13,670)
8 Caretakers and Cleaners				
Employee Expenses	246,830	266,680	277,910	287,740
Premises Related Expenditure	11,760	12,890	13,020	13,150
Transport Related Expenditure	2,160	2,210	2,260	2,310
Supplies & Services	3,990	3,560	3,600	3,640
Total Expenditure	264,740	285,340	296,790	306,840
Income	(3,000)	.	.	-
Total Income	(3,000)	.	.	-
Caretakers and Cleaners Net Expenditure	261,740	285,340	296,790	306,840
Economic Development and Planning Net Expenditure	1,580,120	1,571,870	1,699,760	1,712,770

Economic Development Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	2,078	- 70	2,008	2,144	14	2,158	40	31	2,229
Premises Related Costs	554	- 2	552	562	- 2	560	9	-	569
Transport Related Costs	47	-	47	47	-	47	1	-	48
Supplies and Services	420	37	457	359	57	416	3	- 45	374
Capital Financing	2	-	2	2	-	2	-	-	2
Total Expenditure	3,101	- 35	3,066	3,114	69	3,183	53	- 14	3,222
Income	- 1,478	- 16	- 1,494	- 1,477	- 6	- 1,483	- 19	- 7	- 1,509
Net Expenditure	1,623	- 51	1,572	1,637	63	1,700	34	- 21	1,713

Economic Development Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		14
Public buildings additional income		-9
Economic Development - Enterprise Programme		
Supplies	10	
Contribution from Reserves	-10	0
Management & Support subscription and contribution costs		16
Transfer to fund Office 365 licence costs		-5
Economic Prosperity Strategy		
Employees (posts slipped to 22-23)	-83	
Supplies	15	-68
minor variations		1
		<u>-51</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		14
Public buildings additional income		-9
Economic Development - Enterprise Programme		
Supplies	10	
Contribution from Reserves	-10	0
Management & Support subscription and contribution costs		16
Transfer to fund Office 365 licence costs		-5
Economic Prosperity Strategy		45
minor variations		2
		<u>63</u>

2021/22 to 2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations (including increments)		5
Increase in Superannuation		30
Economic Prosperity strategy part falling out		-45
Additional shared service contributions		-3
minor variations		-8
		<u><u>-21</u></u>

PAGE INTENTIONALLY BLANK

Environment**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Waste & Recycling				
Employee Expenses	265,090	278,300	292,730	308,290
Premises Related Expenditure	20,870	2,900	2,930	2,960
Transport Related Expenditure	5,810	5,900	5,990	6,080
Supplies & Services	67,080	53,730	54,580	55,470
Third Party Payments	2,545,260	2,616,880	2,697,400	2,779,950
Total Expenditure	2,904,110	2,957,710	3,053,630	3,152,750
Income	(1,044,390)	(968,330)	(938,010)	(957,110)
Total Income	(1,044,390)	(968,330)	(938,010)	(957,110)
Waste & Recycling Net Expenditure	1,859,720	1,989,380	2,115,620	2,195,640
2 Regulatory Services				
Employee Expenses	422,510	454,200	471,320	488,550
Premises Related Expenditure	1,020	1,040	1,060	1,080
Transport Related Expenditure	10,670	16,940	17,110	17,280
Supplies & Services	38,780	40,640	41,100	41,520
Third Party Payments	43,100	43,970	44,850	45,750
Total Expenditure	516,080	556,790	575,440	594,180
Income	(33,560)	(21,640)	(22,180)	(22,630)
Total Income	(33,560)	(21,640)	(22,180)	(22,630)
Regulatory Services Net Expenditure	482,520	535,150	553,260	571,550
3 Cleansing Services				
Premises Related Expenditure	5,810	5,870	5,930	5,990
Supplies & Services	5,480	5,530	5,580	5,630
Third Party Payments	419,590	430,790	443,280	455,860
Total Expenditure	430,880	442,190	454,790	467,480
Cleansing Services Net Expenditure	430,880	442,190	454,790	467,480
4 Drainage Services				
Premises Related Expenditure	10,520	8,610	8,700	8,790
Total Expenditure	10,520	8,610	8,700	8,790
Income	(2,000)	.	.	-
Total Income	(2,000)	.	.	-
Drainage Services Net Expenditure	8,520	8,610	8,700	8,790
5 Street Cleansing				
Employee Expenses	509,610	505,030	522,240	539,610
Premises Related Expenditure	3,320	3,390	3,460	3,530
Transport Related Expenditure	145,740	157,650	159,900	162,190
Supplies & Services	31,730	31,820	32,100	32,370
Total Expenditure	690,400	697,890	717,700	737,700
Income	(681,740)	(697,890)	(717,700)	(737,700)
Total Income	(681,740)	(697,890)	(717,700)	(737,700)
Street Cleansing Net Expenditure	8,660	-	-	-

Environment**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
6 Countryside Management				
Employee Expenses	208,030	171,870	163,670	169,700
Premises Related Expenditure	8,080	8,220	8,360	8,500
Transport Related Expenditure	12,510	12,770	13,030	13,290
Supplies & Services	42,290	29,090	29,390	29,690
Total Expenditure	270,910	221,950	214,450	221,180
Income	(67,090)	(26,340)	(13,660)	(13,910)
Total Income	(67,090)	(26,340)	(13,660)	(13,910)
Countryside Management Net Expenditure	203,820	195,610	200,790	207,270
7 Grounds Maintenance				
Employee Expenses	677,740	703,140	728,860	754,060
Premises Related Expenditure	35,080	35,390	36,010	36,660
Transport Related Expenditure	62,420	63,620	64,860	66,130
Supplies & Services	156,140	159,050	160,610	162,220
Total Expenditure	931,380	961,200	990,340	1,019,070
Income	(925,880)	(961,200)	(990,340)	(1,019,070)
Total Income	(925,880)	(961,200)	(990,340)	(1,019,070)
Grounds Maintenance Net Expenditure	5,500	-	-	-
8 Conservation Areas				
Employee Expenses	135,450	165,510	172,350	179,310
Transport Related Expenditure	5,040	5,090	5,140	5,190
Supplies & Services	2,170	1,970	1,990	2,010
Total Expenditure	142,660	172,570	179,480	186,510
Conservation Areas Net Expenditure	142,660	172,570	179,480	186,510
9 Public Clocks				
Premises Related Expenditure	5,190	5,360	5,500	5,640
Total Expenditure	5,190	5,360	5,500	5,640
Public Clocks Net Expenditure	5,190	5,360	5,500	5,640
10 Off Street Parking				
Premises Related Expenditure	345,390	353,110	359,670	366,440
Transport Related Expenditure	10	10	10	10
Supplies & Services	120,370	129,280	132,800	136,420
Third Party Payments	29,320	29,820	30,680	31,560
Total Expenditure	495,090	512,220	523,160	534,430
Income	(407,160)	(884,520)	(884,660)	(884,800)
Total Income	(407,160)	(884,520)	(884,660)	(884,800)
Off Street Parking Net Expenditure	87,930	(372,300)	(361,500)	(350,370)

Environment**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
11 Hawks Green Depot				
Employee Expenses	6,290	6,420	6,550	6,680
Premises Related Expenditure	103,130	99,220	101,080	102,990
Supplies & Services	15,450	18,280	18,840	19,050
Total Expenditure	124,870	123,920	126,470	128,720
Income	(143,700)	(149,390)	(155,310)	(161,510)
Total Income	(143,700)	(149,390)	(155,310)	(161,510)
Hawks Green Depot Net Expenditure	(18,830)	(25,470)	(28,840)	(32,790)
12 Bus Shelters				
Premises Related Expenditure	60,180	34,270	34,940	35,610
Total Expenditure	60,180	34,270	34,940	35,610
Income	(63,640)	(36,120)	(36,840)	(37,580)
Total Income	(63,640)	(36,120)	(36,840)	(37,580)
Bus Shelters Net Expenditure	(3,460)	(1,850)	(1,900)	(1,970)
13 Vehicles				
Employee Expenses	152,360	145,020	149,880	154,800
Premises Related Expenditure	1,070	1,080	1,090	1,100
Transport Related Expenditure	53,990	54,430	55,170	56,260
Supplies & Services	11,090	10,880	10,990	11,100
Total Expenditure	218,510	211,410	217,130	223,260
Income	(223,880)	(238,300)	(243,110)	(248,030)
Total Income	(223,880)	(238,300)	(243,110)	(248,030)
Vehicles Net Expenditure	(5,370)	(26,890)	(25,980)	(24,770)
Environment Net Expenditure	3,207,740	2,922,360	3,099,920	3,232,980

Environment Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	2,649	- 219	2,430	2,744	- 236	2,508	45	48	2,601
Premises Related Costs	551	8	559	561	8	569	10	-	579
Transport Related Costs	328	- 12	316	333	- 12	321	5	-	326
Supplies and Services	517	- 37	480	525	- 37	488	7	1	496
Third Party Payments	3,119	2	3,121	3,214	2	3,216	64	33	3,313
Total Expenditure	7,164	- 258	6,906	7,377	- 275	7,102	131	82	7,315
Income	- 4,027	43	- 3,984	- 4,059	57	- 4,002	- 68	- 12	- 4,082
Net Expenditure	3,137	- 215	2,922	3,318	- 218	3,100	63	70	3,233

Environment Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		17
Private Sector Housing transferred to Health & Wellbeing portfolio		
Employees	-246	
Transport	-11	
Supplies	-11	
Income	45	-223
Countryside Management apprentice post		
Employees	9	
Income	-9	0
Waste		
Reduced trade waste disposal costs	-20	
Contract costs	5	
Reduced internal recharge	12	-3
Transfer to fund Office 365 licence costs		-4
Increased grounds recharge		-8
Regulatory services reduced income		5
minor variations		1
		<u>-215</u>

2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		17
Private Sector Housing transferred to Health & Wellbeing portfolio		
Employees	-254	
Transport	-11	
Supplies	-11	
Income	46	-230
Waste		
Reduced trade waste disposal costs	-20	
Contract costs	5	
Reduced internal recharge	12	-3
Transfer to fund Office 365 licence costs		-4
Increased grounds recharge		-8
Regulatory services reduced income		5
minor variations		5
		<u>-218</u>

2021/22 to 2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		46
Waste contract costs additional properties		28
Street cleansing recharge		
Third Party	4	
Income	<u>-6</u>	-2
Increased Grounds maintenance recharge		-6
minor variations		4
		<u><u>70</u></u>

Health and Wellbeing**Appendix 2**

	Outturn 2020-2021 £	Budget 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £
1 Benefits Payments				
Transfer Payments	17,022,120	15,643,870	14,375,860	13,209,280
Total Expenditure	17,022,120	15,643,870	14,375,860	13,209,280
Income	(17,253,440)	(15,875,190)	(14,607,180)	(13,440,600)
Total Income	(17,253,440)	(15,875,190)	(14,607,180)	(13,440,600)
Benefits Payments Net Expenditure	(231,320)	(231,320)	(231,320)	(231,320)
2 Food Safety				
Employee Expenses	324,830	350,510	362,330	374,260
Transport Related Expenditure	10,040	10,140	10,240	10,340
Supplies & Services	60,600	48,070	48,410	48,740
Total Expenditure	395,470	408,720	420,980	433,340
Income	(14,500)	(5,500)	(5,500)	(5,500)
Total Income	(14,500)	(5,500)	(5,500)	(5,500)
Food Safety Net Expenditure	380,970	403,220	415,480	427,840
3 Management & Administration				
Employee Expenses	69,500	65,090	67,700	70,360
Transport Related Expenditure	130	130	130	130
Supplies & Services	860	650	660	670
Total Expenditure	70,490	65,870	68,490	71,160
Management & Administration Net Expenditure	70,490	65,870	68,490	71,160
4 Mortuary				
Employee Expenses	43,970	47,330	48,870	50,420
Premises Related Expenditure	20,450	20,810	21,190	21,560
Supplies & Services	20,400	21,380	21,570	21,760
Total Expenditure	84,820	89,520	91,630	93,740
Income	(93,480)	(105,750)	(107,860)	(109,970)
Total Income	(93,480)	(105,750)	(107,860)	(109,970)
Mortuary Net Expenditure	(8,660)	(16,230)	(16,230)	(16,230)
5 Taxation				
Employee Expenses	2,608,470	2,569,720	2,538,400	2,627,230
Transport Related Expenditure	15,150	23,180	23,410	23,640
Supplies & Services	496,560	457,090	464,080	471,070
Third Party Payments	14,000	14,000	14,280	14,570
Total Expenditure	3,134,180	3,063,990	3,040,170	3,136,510
Income	(2,116,900)	(2,334,770)	(2,266,880)	(2,316,010)
Total Income	(2,116,900)	(2,334,770)	(2,266,880)	(2,316,010)
Taxation Net Expenditure	1,017,280	729,220	773,290	820,500

Appendix 2

Health and Wellbeing

	Outturn 2020-2021 £	Budget 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £
6 Licensing				
Employee Expenses	159,740	165,540	171,230	176,990
Transport Related Expenditure	4,630	4,680	4,730	4,780
Supplies & Services	36,750	36,180	36,560	36,940
Total Expenditure	201,120	206,400	212,520	218,710
Income	(228,100)	(277,200)	(282,640)	(288,190)
Total Income	(228,100)	(277,200)	(282,640)	(288,190)
Licensing Net Expenditure	(26,980)	(70,800)	(70,120)	(69,480)
7 COVID 19				
Supplies & Services	183,000	.	.	-
Total Expenditure	183,000	.	.	-
COVID 19 Net Expenditure	183,000	-	-	-
8 Private Sector Housing				
Employee Expenses	246,060	247,470	255,420	263,360
Transport Related Expenditure	11,360	11,480	11,600	11,720
Supplies & Services	10,660	10,120	10,230	10,330
Total Expenditure	268,080	269,070	277,250	285,410
Income	(44,410)	(45,520)	(46,370)	(47,260)
Total Income	(44,410)	(45,520)	(46,370)	(47,260)
Private Sector Housing Net Expenditure	223,670	223,550	230,880	238,150
Health and Wellbeing Net Expenditure	1,608,450	1,103,510	1,170,470	1,240,620

Health & Wellbeing Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	3,060	386	3,446	3,168	276	3,444	64	55	3,563
Premises Related Costs	21	-	21	21	-	21	-	1	22
Transport Related Costs	38	12	50	39	11	50	1	-	51
Supplies and Services	569	4	573	577	4	581	8	1	590
Third Party	14	-	14	14	-	14	-	-	14
Transfer Payments	16,812	- 1,168	15,644	15,468	- 1,092	14,376	-	- 1,167	13,209
Total Expenditure	20,514	- 766	19,748	19,287	- 801	18,486	73	- 1,110	17,449
Income	- 19,489	845	- 18,644	- 18,202	886	- 17,316	- 42	1,150	- 16,208
Net Expenditure	1,025	79	1,104	1,085	85	1,170	31	40	1,241

Health & Wellbeing Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		14
Local Taxation grant funding		
Employees	120	
Income	-120	0
Private Sector Housing transferred from Environment portfolio		
Employees	246	
Transport	11	
Supplies	11	
Income	-45	223
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 946	
Income	946	0
Transfer to fund Office 365 licence costs		-12
Housing benefit subsidy overpayment allowance		-150
Additional shared service contributions		-6
minor variations		10
		<u>79</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		14
Private Sector Housing transferred from Environment portfolio		
Employees	254	
Transport	11	
Supplies	11	
Income	-46	230
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 870	
Income	870	0
Transfer to fund Office 365 licence costs		-12
Housing benefit subsidy overpayment allowance		-150
Additional shared service contributions		-6
minor variations		9
		<u>85</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		52
Increments		3
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 1,167	
Income	<u>1,167</u>	0
Taxation - additional shared service contributions		-13
minor variations		-2
		<u><u>40</u></u>

PAGE INTENTIONALLY BLANK

Housing General Fund**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Circular 8/95				
Supplies & Services	35,520	35,520	35,520	35,520
Total Expenditure	35,520	35,520	35,520	35,520
Circular 8/95 Net Expenditure	35,520	35,520	35,520	35,520
2 Housing Services				
Employee Expenses	432,770	468,010	458,240	474,550
Premises Related Expenditure	5,670	5,700	5,810	5,920
Transport Related Expenditure	2,560	2,580	2,600	2,620
Supplies & Services	444,270	132,460	133,390	134,570
Third Party Payments	20,000	290	300	310
Total Expenditure	905,270	609,040	600,340	617,970
Income	(451,840)	(214,010)	(193,700)	(199,710)
Total Income	(451,840)	(214,010)	(193,700)	(199,710)
Housing Services Net Expenditure	453,430	395,030	406,640	418,260
Housing General Fund Net Expenditure	488,950	430,550	442,160	453,780

Housing General Fund Portfolio**Variation Statement 2021/2022 to 2023/2024**

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	431	37	468	445	13	458	8	9	475
Premises Related Costs	6	-	6	6	-	6	-	-	6
Transport Related Costs	2	1	3	3	-	3	-	-	3
Supplies and Services	169	- 1	168	170	- 1	169	1	-	170
Total Expenditure	608	37	645	624	12	636	9	9	654
Income	- 190	- 24	- 214	- 194	-	- 194	- 4	- 2	- 200
Net Expenditure	418	13	431	430	12	442	5	7	454

Housing General Fund Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		3
Staffing variations		11
Homelessness Grant funded post		
Employees	23	
Income	-23	0
minor variations		-1
		<u>13</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		3
Staffing variations		10
minor variations		-1
		<u>12</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		6
minor variations		1
		<u>7</u>

PAGE INTENTIONALLY BLANK

Leader of the Council**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Democratic Services				
Employee Expenses	187,830	195,860	203,930	212,380
Transport Related Expenditure	3,850	3,890	3,930	3,970
Supplies & Services	394,660	393,320	400,940	408,690
Total Expenditure	586,340	593,070	608,800	625,040
Democratic Services Net Expenditure	586,340	593,070	608,800	625,040
2 Elections				
Employee Expenses	108,230	175,310	179,800	185,370
Premises Related Expenditure		4,690	4,690	4,790
Transport Related Expenditure	150	250	250	250
Supplies & Services	60,140	101,990	102,410	103,300
Total Expenditure	168,520	282,240	287,150	293,710
Income	(7,700)	(1,190)	(1,210)	(1,230)
Total Income	(7,700)	(1,190)	(1,210)	(1,230)
Elections Net Expenditure	160,820	281,050	285,940	292,480
3 Executive Management & Support				
Employee Expenses	264,950	265,910	274,410	270,650
Transport Related Expenditure	2,590	2,620	2,650	2,680
Supplies & Services	133,930	84,370	85,200	86,080
Total Expenditure	401,470	352,900	362,260	359,410
Income	(15,000)	(12,360)	(12,360)	-
Total Income	(15,000)	(12,360)	(12,360)	-
Executive Management & Support Net Expenditure	386,470	340,540	349,900	359,410
5 Grants & Contributions				
Supplies & Services	154,000	148,640	151,630	153,130
Total Expenditure	154,000	148,640	151,630	153,130
Grants & Contributions Net Expenditure	154,000	148,640	151,630	153,130
6 Finance				
Employee Expenses	970,830	1,007,300	1,044,620	1,082,920
Transport Related Expenditure	3,560	3,600	3,640	3,680
Supplies & Services	126,050	171,820	138,090	139,470
Total Expenditure	1,100,440	1,182,720	1,186,350	1,226,070
Income	(823,030)	(878,820)	(890,980)	(922,770)
Total Income	(823,030)	(878,820)	(890,980)	(922,770)
Finance Net Expenditure	277,410	303,900	295,370	303,300
7 Corporate Management				
Supplies & Services	118,170	133,900	134,990	136,340
Total Expenditure	118,170	133,900	134,990	136,340
Income	(39,530)	(41,100)	(42,730)	(44,440)
Total Income	(39,530)	(41,100)	(42,730)	(44,440)
Corporate Management Net Expenditure	78,640	92,800	92,260	91,900

Appendix 2

Leader of the Council

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
8 Non Distributed Costs				
Employee Expenses	311,580	321,480	328,110	334,670
Total Expenditure	311,580	321,480	328,110	334,670
Income	(40,000)	(40,800)	(41,620)	(42,450)
Total Income	(40,000)	(40,800)	(41,620)	(42,450)
Non Distributed Costs Net Expenditure	271,580	280,680	286,490	292,220
9 Excluded Items				
Employee Expenses	43,500	(103,500)	(102,630)	(101,740)
Supplies & Services	609,000	427,910	559,000	279,000
Total Expenditure	652,500	324,410	456,370	177,260
Income	(745,490)	(408,410)	(605,200)	(718,440)
Total Income	(745,490)	(408,410)	(605,200)	(718,440)
Excluded Items Net Expenditure	(92,990)	(84,000)	(148,830)	(541,180)
Leader of the Council Net Expenditure	1,822,270	1,956,680	1,921,560	1,576,300

Leader of the Council PortfolioVariation Statement 2021/2022 to 2023/2024

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,947	- 85	1,862	2,067	- 139	1,928	38	18	1,984
Premises Related Costs	-	5	5	5	-	5	-	-	5
Transport Related Costs	10	-	10	10	1	11	-	- 1	10
Supplies and Services	920	542	1,462	983	589	1,572	14	- 280	1,306
Total Expenditure	2,877	462	3,339	3,065	451	3,516	52	- 263	3,305
Income	- 1,712	330	- 1,382	- 1,776	182	- 1,594	- 58	- 77	- 1,729
Net Expenditure	1,165	792	1,957	1,289	633	1,922	- 6	- 340	1,576

Leader of the Council Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		10
Staffing variations		7
Non distributed reduced pension costs		-10
Pay freeze salary above £24,000		
Employees	-147	
Income (hra recharges)	<u>37</u>	-110
Members allowance pay freeze		-7
District elections rephased from 20-21		
Employees	55	
Premises	5	
Supplies	<u>48</u>	108
Transfer to fund Office 365 licence costs		-5
Finance additional system costs		
Supplies	47	
Income	<u>-30</u>	17
Excluded items - potential Covid impact		
Supplies	428	
Income	<u>330</u>	758
Corporate management		
Bank charges	10	
Audit fees	8	
Asset valuations	<u>8</u>	26
Increased hra recharges		-7
minor variations		5
		<u><u>792</u></u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award 0.75% increase		10
Staffing variations		7
Non distributed reduced pension costs		-10
Pay freeze salary above £24,000		
Employees	-147	
Income (hra recharges)	<u>37</u>	-110
Members allowance pay freeze		-7
Transfer to fund Office 365 licence costs		-5
Finance additional system costs		
Supplies	12	
Income	<u>-12</u>	0
Excluded items - potential Covid impact		
Supplies	559	
Income	<u>164</u>	723
Corporate management		
Bank charges	10	
Audit fees	8	
Asset valuations	<u>8</u>	26
Increased hra recharges		-7
minor variations		6
		<u>633</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		27
Increments		3
Executive mangement apprenticeships falling out		
Employees	-12	
Supplies	<u>12</u>	0
Excluded items - potential Covid impact reduction from 2022-23		
Supplies	- 280	
Income	<u>- 81</u>	- 361
Increased shared services contributions		-9
		<u>-340</u>

PAGE INTENTIONALLY BLANK

Town Centre Regeneration**Appendix 2**

	Outturn 2020-2021	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
	£	£	£	£
1 Markets				
Employee Expenses	131,220	70,580	73,930	77,390
Premises Related Expenditure	242,800	258,040	237,720	52,950
Transport Related Expenditure	1,800	1,840	1,880	1,900
Supplies & Services	79,860	69,740	70,370	25,680
Total Expenditure	455,680	400,200	383,900	157,920
Income	(125,060)	(57,480)	(57,550)	(57,620)
Total Income	(125,060)	(57,480)	(57,550)	(57,620)
Markets Net Expenditure	330,620	342,720	326,350	100,300
2 Town Centre Management				
Premises Related Expenditure	246,290	255,990	261,090	266,130
Supplies & Services	7,210	210	210	210
Total Expenditure	253,500	256,200	261,300	266,340
Income	(152,570)	(152,120)	(152,140)	(151,560)
Total Income	(152,570)	(152,120)	(152,140)	(151,560)
Town Centre Management Net Expenditure	100,930	104,080	109,160	114,780
3 Miscellaneous Properties				
Premises Related Expenditure	6,140	6,260	6,370	6,480
Total Expenditure	6,140	6,260	6,370	6,480
Income	(14,150)	(14,170)	(14,190)	(14,210)
Total Income	(14,150)	(14,170)	(14,190)	(14,210)
Miscellaneous Properties Net Expenditure	(8,010)	(7,910)	(7,820)	(7,730)
Town Centre Regeneration Net Expenditure	423,540	438,890	427,690	207,350

Town Centre Regeneration PortfolioVariation Statement 2021/2022 to 2023/2024

	2021/22 Indicative	Real Terms / Efficiency Variations	2021/2022 Budget	2022/23 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	Inflation	Real Terms / Efficiency Variations	2023/2024 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	70	1	71	73	1	74	1	2	77
Premises Related Costs	499	21	520	429	76	505	9	- 189	325
Transport Related Costs	2	-	2	2	-	2	-	-	2
Supplies and Services	60	10	70	39	32	71	1	- 46	26
Total Expenditure	631	32	663	543	109	652	11	- 233	430
Income	- 357	133	- 224	- 358	134	- 224	-	1	- 223
Net Expenditure	274	165	439	185	243	428	11	- 232	207

Town Centre Regeneration Portfolio**Proposed Real Terms / Efficiency Variations****2021/22 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Additional rates and utility costs		29
Reduced income Cannock market shops		104
Rugeley market hall additional security costs		10
Town Centre Management reduced rent payable		
Reduced rent payable	-8	
Reduced rent income receivable	30	22
		<u>165</u>

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
Additional rates and utility costs		6
Reduced income Cannock market shops		104
Multi Storey car park additional costs		
Premises	78	
Supplies (security)	21	99
Rugeley market hall additional security costs		10
Town Centre Management reduced rent payable		
Reduced rent payable	-8	
Reduced rent income receivable	30	22
minor variations		2
		<u>243</u>

2022/23 to 2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		3
Cannock market shops remove premises costs demolished 22-23		-36
Cannock market hall assume demolished 22-23		
Premises	-74	
Supplies	-24	-98
Multi Storey car park additional costs falling out		
Premises	-78	
Supplies (security)	-21	-99
minor variations		-2
		<u>-232</u>

PAGE INTENTIONALLY BLANK

Capital Programme 2020-21 to 2023-24

	Total Programme Revised	General Fund	Section 106
	£000	£000	£000
HOUSING GF			
Disabled Facilities Grants	4,680	4,680	-
Private Sector Decent Homes	27	27	-
Total Housing General Fund	4,707	4,707	-
ENVIRONMENT			
Home Security Grants	37	37	-
Wheelie Bin Replacement	416	416	-
Replacement Vehicles - cleansing	15	15	-
Replacement Vehicles - countryside	68	68	-
Car Park Improvements	292	292	-
Replacement Vehicles - Grounds	77	77	-
Total Environment	905	905	-
CRIME AND PARTNERSHIPS			
CCTV	67	67	-
Total Crime & Partnerships	67	67	-
CULTURE AND SPORT			
Additional Cemetery Provision	1,410	1,410	-
Stile Cop Cemetery Modular build	60	60	-
Hednesford Park Improvements (part s106 funding)	174	155	19
Stadium Development (Phase 2)	401	276	125
Relocation Arthur Street Play Area (s106)	3	-	3
Multi Use Games Area, Laburnum Avenue (s106)	121	-	121
Heath Hayes Park/Pitch Refurbishment	115	-	115
Replacement Vehicles - Cemeteries	51	51	-
Play Area and Open Space Rugeley	48	5	43
Play Area and Open Space Penny Cress Green	186	-	186
Rugeley ATP	844	422	422
Cannock East (CIL)	210	-	210
Commonwealth Games Mountain Bike	50	50	-
Commonwealth Games Legacy	50	50	-
Rugeley Swimming Pool	300	300	-
Rugeley LC Boiler	190	190	-
Total Culture and Sport	4,213	2,969	1,244
ECONOMIC REGENERATION AND PLANNING			
Economic Development & Physical Assets	176	176	-
District Investment	5,645	5,645	-
Lets Grow Grants	38	38	-
Hawks Green Rationalisation	204	204	-
Total Economic Regeneration and Planning	6,063	6,063	-
CORPORATE IMPROVEMENT			
Financial Management System	350	350	-
Total Corporate Improvement	350	350	-
TOWN CENTRE REGENERATION			
Prince of Wales Theatre	53	53	-
Rugeley Pedestrian Cycle Linkage (S106)	219	-	219
Total Town Centre Regeneration	272	53	219
TOTAL CAPITAL PROGRAMME	16,577	15,114	1,463

General Fund and Section 106 Capital Budgets 2020-21 to 2023-24

	2020/21	2021/22	2022/23	2023/24	Approved
	Revised				
	£000	£000	£000	£001	£000
HOUSING					
Disabled Facilities Grants	500	1,822	926	926	506
Private Sector Decent Homes	7	20	-	-	-
Total Housing General Fund	507	1,842	926	926	506
ENVIRONMENT					
Home Security Grants	9	28	-	-	-
Wheelie Bin Replacement	126	120	90	80	-
Replacement Vehicles - cleansing	-	-	-	-	15
Replacement Vehicles - countryside	30	-	-	-	38
Car Park Improvements	90	-	-	-	202
Replacement Vehicles - Grounds	86	-	-	-	9
Total Environment	341	148	90	80	246
CRIME AND PARTNERSHIPS					
CCTV	-	-	-	-	67
Total Crime & Partnerships	-	-	-	-	67
CULTURE AND SPORT					
Additional Cemetery Provision	1,410	-	-	-	-
Stile Cop Cemetery Phase 2	-	-	-	-	-
Stile Cop Cemetery Modular build	-	60	-	-	-
Hednesford Park Improvements (part s106 funding)	-	-	-	-	174
Stadium Development (Phase 2)	20	381	-	-	-
Relocation Arthur Street Play Area (s106)	-	-	-	-	3
Multi Use Games Area, Laburnum Avenue (s106)	-	-	-	-	121
Heath Hayes Park/Pitch Refurbishment	-	-	-	-	115
Replacement Vehicles - Cemeteries	-	-	-	-	51
Play Area and Open Space Rugeley	-	48	-	-	-
Play Area and Open Space Penny Cress Green	-	186	-	-	-
Rugeley ATP	50	794	-	-	-
Cannock East (CIL)	-	-	-	-	210
Commonwealth Games Mountain Bike	-	50	-	-	-
Commonwealth Games Legacy	-	50	-	-	-
Rugeley Swimming Pool	250	50	-	-	-
Rugeley LC Boiler	181	9	-	-	-
Total Culture and Sport	1,911	1,628	-	-	674
ECONOMIC REGENERATION AND PLANNING					
Economic Development & Physical Assets	-	176	-	-	-
District Investment	-	-	-	-	5,645
Lets Grow Grants	8	30	-	-	-
Hawks Green Rationalisation	204	-	-	-	-
Total Economic Regeneration and Planning	212	206	-	-	5,645
CORPORATE IMPROVEMENT					
Financial Management System	350	-	-	-	-
Total Corporate Improvement	350	-	-	-	-
TOWN CENTRE REGENERATION					
Prince of Wales Theatre	2	51	-	-	-
Rugeley Pedestrian Cycle Linkage (S106)	219	-	-	-	-
Total Town Centre Regeneration	221	51	-	-	-
TOTAL CAPITAL PROGRAMME	3,542	3,875	1,016	1,006	7,138

Business Rates Retention – Retained Income

		2021-22	2022-23	202-24
		50% £m	75% £m	75% £m
A. Business Rates Collection Fund				
Gross Rates		44.568	46.013	46.934
Less	Reliefs etc.			
	Mandatory Relief	(5.767)	(5.870)	(5.987)
	Discretionary Relief	(0.120)	(0.116)	(0.118)
	Exemptions	(1.487)	(0.753)	(0.768)
	Cost of Collection	(0.136)	(0.138)	(0.141)
	Losses on Collection	(1.647)	(1.150)	(1.169)
Business Rates Collectable		35.411	37.986	38.751
Less	Amount due to			
	Government	(17.706)	(9.496)	(9.687)
	County	(3.187)	(12.916)	(13.176)
	Fire	(0.354)	(0.380)	(0.387)
Net Business Rates attributable to CCDC		14.165	15.194	15.501

B. General Fund Determination of Retained Business Rates				
Net Business Rates attributable to CCDC		14.165	15.194	15.501
Less	Tariff	(9.475)	(9.665)	(9.858)
	Reset		(0.935)	(0.954)
	Core Funding	(3.046)	(3.106)	(3.169)
	Growth	1.644	1.488	1.520
Plus	New Burdens funding subject to Levy			
	Small Business Rates Relief	1.425	1.338	1.365
Amount subject to S&SOT Levy		3.069	2.826	2.885
	Levy	(1.534)		
	County Growth		(0.706)	(0.721)
Business Rates Growth		1.535	2.120	2.164
Business Rates Pool Distribution		0.614		
Retained Business Rates				
	Core Funding	3.046	3.106	3.169
	Growth	1.534	2.120	2.164
	Business Rates Pool - Distribution	0.614		
	- Supplement	0.215		
Total Retained		5.409	5.226	5.333

Item No. 7.

Report of the Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Council's Reserves

Introduction

Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer (Head of Finance) to make a report to the Council on the robustness of budget estimates and the adequacy of the Council's reserves. The Council must have regard to this report when making its decisions about budgets and council tax for the forthcoming year. This is because the Council is setting the council tax before the commencement of the year and cannot increase it during the year. An understanding of the risks of increased expenditure during the year in terms of likelihood and impact is therefore important.

Robustness of Budget Estimates

The Council's budget estimates for 2021-22 to 2023-24 have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team. The budgets for 2021-22 are particularly complicated due to the potential impact of COVID 19. The budget has therefore been constructed based upon the maintenance of existing level of service and is considered to accurately reflect likely expenditure in 2021-22, being based on historic information, experience of expenditure in previous years and latest projections where appropriate. The indicative budgets for 2022-23 and 2023-24 are similarly based upon the best information available at this moment in time. A separate COVID 19 contingency estimate has been provided for each of the three years. This estimate has been based upon three scenarios best, worst case and a middle ground. Separate provision exists within the Leader of the Council portfolio for the mid case scenario with the best and worst case scenarios being reflected in the Working Balance Risk Analysis

A full risk assessment of the Council's Budget 2021-22 has been carried out - APPENDIX 1).

Provision for Pay Award Inflation reflects the pay freeze on salaries above £24,000. The impact of the National Living Wage has been incorporated into the budget and allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the 2019 actuarial valuation. Different vacancy rates have been assumed for Council services based on past experience.

Inflation on contractor costs has been allowed based on the projected retail / consumer prices index increases and on energy budgets based on anticipated tariff increases.

Inflation has been provided on fees and charges, but excluding Car Parks and Allotments. Given the demand led nature of some of the more significant income budgets, such as for parking, development control and land charges, prudent but realistic assumptions have been made about estimated income. The current

economic climate is expected to continue to have a significant impact on fees and charges generally during 2021-22 and this has been reflected in the Covid contingency estimate. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Council as far as possible.

Investment income of £81,600 has been included within 2021-22 budgets. This has been based on current projections of bank rate which are anticipated to remain close to 0% as an indirect impact of Covid. Investment income also includes the saving arising from the prepayment of the fixed cash lump sum element of the 2021-22 Employers Superannuation Contribution. Prudent assumptions about cash flow have been made and the advice of the Council's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2021-22 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements are in place and will continue throughout the year. These arrangements also include Business Rates Monitoring and the potential new Housing Incentive Scheme (New Homes Bonus) forecasts. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and relevant Scrutiny Committees.

Significant expenditure and income budgets will be monitored closely during the year. Any projected variances will be addressed in a timely manner.

The Council has a Risk Management Strategy and has identified its key corporate risks. Significant financial risks will be managed appropriately. In addition, some financial risks will be mitigated by the Council's insurance arrangements.

I can therefore confirm that the budget estimates as presented are robust.

Adequacy of the Council's Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances. It sets out three main purposes for which reserves are held:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies;
- A means of building up funds to meet known or predicted liabilities, known as earmarked reserves.

The Council held General Fund revenue balances of £2.624 million at 31 March 2020 and consisted of the General Fund balance set at a minimum of £1.0 million, together with an earmarked reserve of £1.624 to support the Capital Programme. In addition to this, earmarked revenue general reserves amounting to £5.054million were also held as at 31 March 2020.

The Council also has a planned four year capital programme which is financially sustainable based on current capital resources and a prudent assessment of future capital resources. The financial strategy includes the use of unallocated reserves and a Revenue Contribution to Capital Outlay to supplement capital resources and mitigate any borrowing requirement; nevertheless Prudential Borrowing to finance the Council's capital programme will be used where there is a robust business case.

The Council has set a policy of a minimum level of 5.5% of net expenditure or the amount calculated by the risk analysis. The Budget for 2021-22 has been constructed on the basis that there will be a level of general reserves at 31 March 2020 in excess of the £0.812 million risk analysis requirement.

I can therefore confirm that the Council's reserves are adequate.

Bob Kean

Head of Finance

Council Tax Base 2021-22

Parish	Band D Equivalents
Brereton and Ravenhill	1,966.87
Bridgtown	632.08
Brindley Heath	248.50
Cannock Wood	403.12
Heath Hayes and Wimblebury	4,029.37
Hednesford	5,571.37
Norton Canes	2,453.60
Rugeley	5,262.09
Unparished	8,569.82
	29,136.82